



**MICHIGAN
CHAMBER**
of Commerce

MEMORANDUM

To: Members of the House Local Government Committee

From: Wendy Block, Michigan Chamber of Commerce

Date: November 29, 2012

Subject: MI Chamber Opposes House Bill 5780

We are writing to voice the Michigan Chamber's opposition to House Bill 5780, legislation to carve certain local government employees out of the newly enacted Public Act 54, which prohibits "step increases" and other automatic wage and benefit increases when a collective bargaining contract has expired.

Public Act 54, as enacted, impacts all organized public employees, including Public Act 312 entities (police and fire). While P.A. 54 may be in conflict with P.A. 312, HB 5780 is a step in the wrong direction. Not only does it take away a reason to get police and fire to the bargaining table, but it could very well have the opposite effect: to keep them from bargaining until after a contract has expired so the step increase takes place.

Our members are supportive of efforts to reign in the costs of local government. Step increases in wages and benefits should be based on a local unit of government's ability to pay so not to exacerbate budget shortfalls. Please do not take away this "tool" in the local government's toolbox; please do not support HB 5780.